



City of Tucson

Community Facilities Districts (CFD)

**Mayor and Council
Study Session
June 5, 2007**



What is a CFD?

- Special purpose improvement district
 - Within boundaries of the City
- Separate political subdivision
 - Governed by Mayor and Council
- Levy property taxes and assessments
- Established by the Arizona Community Facilities District Act in 1988.



Why a CFD?

- Support beneficial growth and development
- Finance public infrastructure
 - Fund related operating and maintenance
- Limit City's financial liability
 - City's bonding capacity not impacted



Other Considerations

- Different property tax rate from the rest of the City
- Administrative requirements
 - paid by CFD
- Be selective in partnerships with developers



Infrastructure Financing

- General Obligation Bonds
 - Approved by district voters and paid from district property taxes
- Assessment Bonds
 - Assessed to properties directly receiving the benefit
- Revenue Bonds
 - Enterprise activities



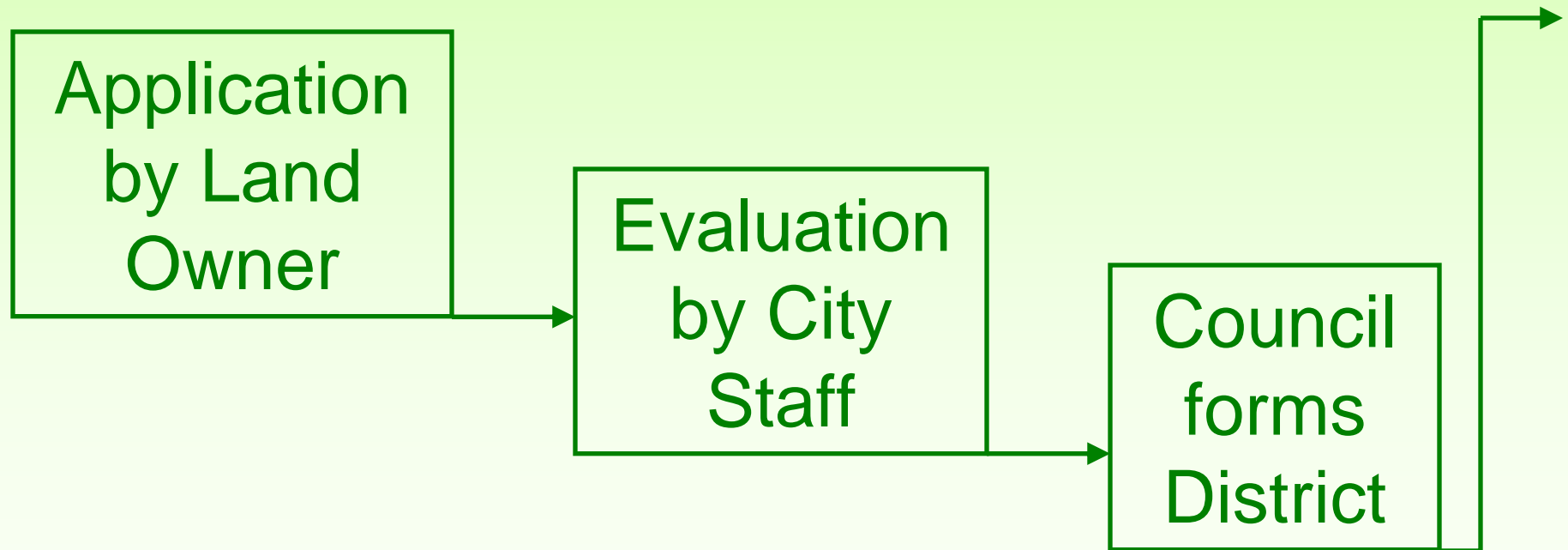
Infrastructure Examples

- Police and Fire Stations
- Libraries
- Recreation Centers, Parks and Open Space
- Roads, including lighting and traffic signals
- Vehicles and Equipment
- Water systems
- Operating and Maintenance costs
(up to \$0.30/\$100 assessed value property tax)



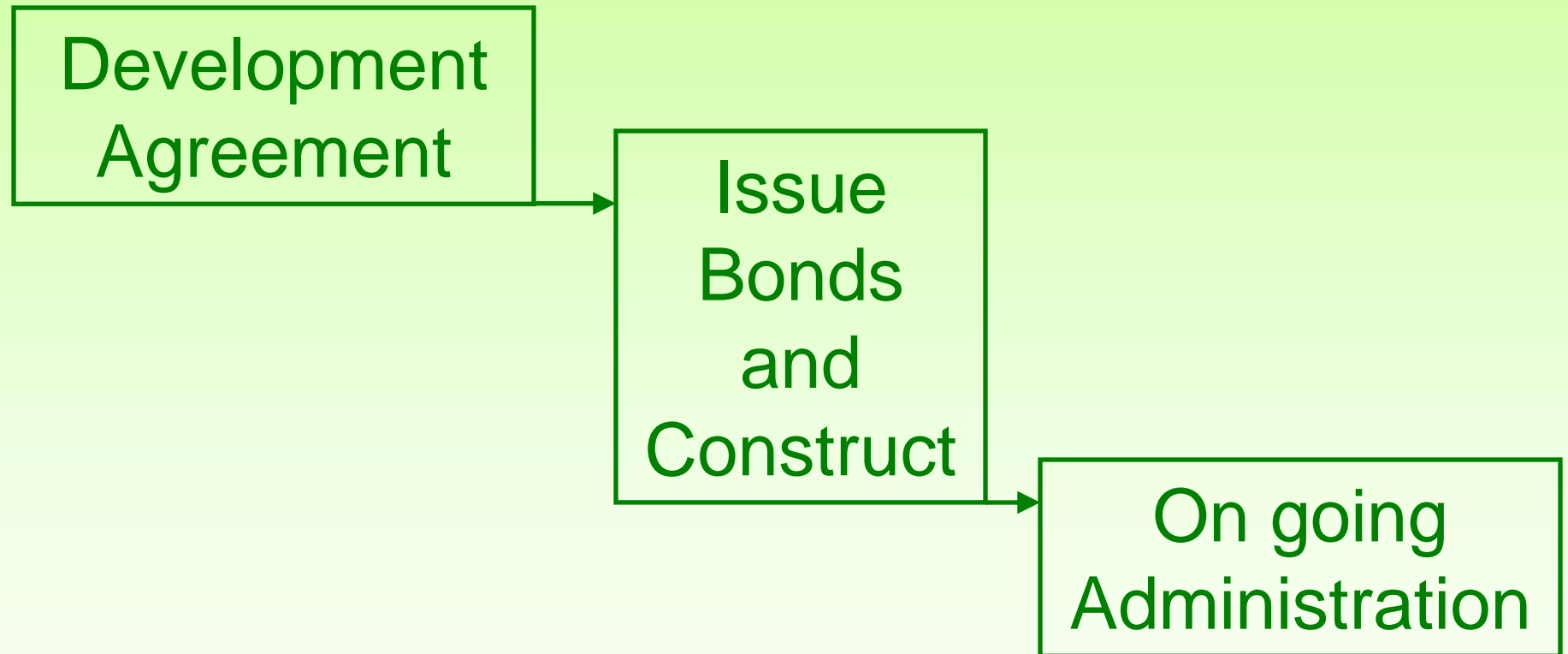
What is the process?

Mayor and Council CFD Policy





What is the process?





Are CFDs Right for Tucson?

- CFDs can be an important tool in managing growth and annexations
- Opportunity to partner with Landowners in developing their property
- Important infrastructure can be financed without impacting City resources



Are CFDs Right for Tucson?

- CFDs can benefit the Houghton Master Plan and other City development
- Support annexation of State land
- Generate economic development and tax revenues
- Consistent with voter approved General Plan



Timeline for CFD Policy

- April Discussion with M&C Aides
- May 2 Stakeholder Meeting
- May Visit Council Offices
- June 5 M&C Presentation
- July M&C Policy Decision